No. 113.

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Supreme Court of the United States.

Petitioners

Filed Jan. 3, 1900.

Samuel Castner, Jr., and Henry B. Curran, trading under the firm name and style of Castner & Curran, Petitioners,

v.

W. H. Coffman, doing business under the name and style of Pocahontas Coke and Coal Company and W. H. Coffman Coke Company.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE FOURTH CIRCUIT.

MEMORANDUM OF AUTHORITIES SUPPLEMENTAL TO BRIEF FOR PETITIONERS.

HENRY E. EVERDING,
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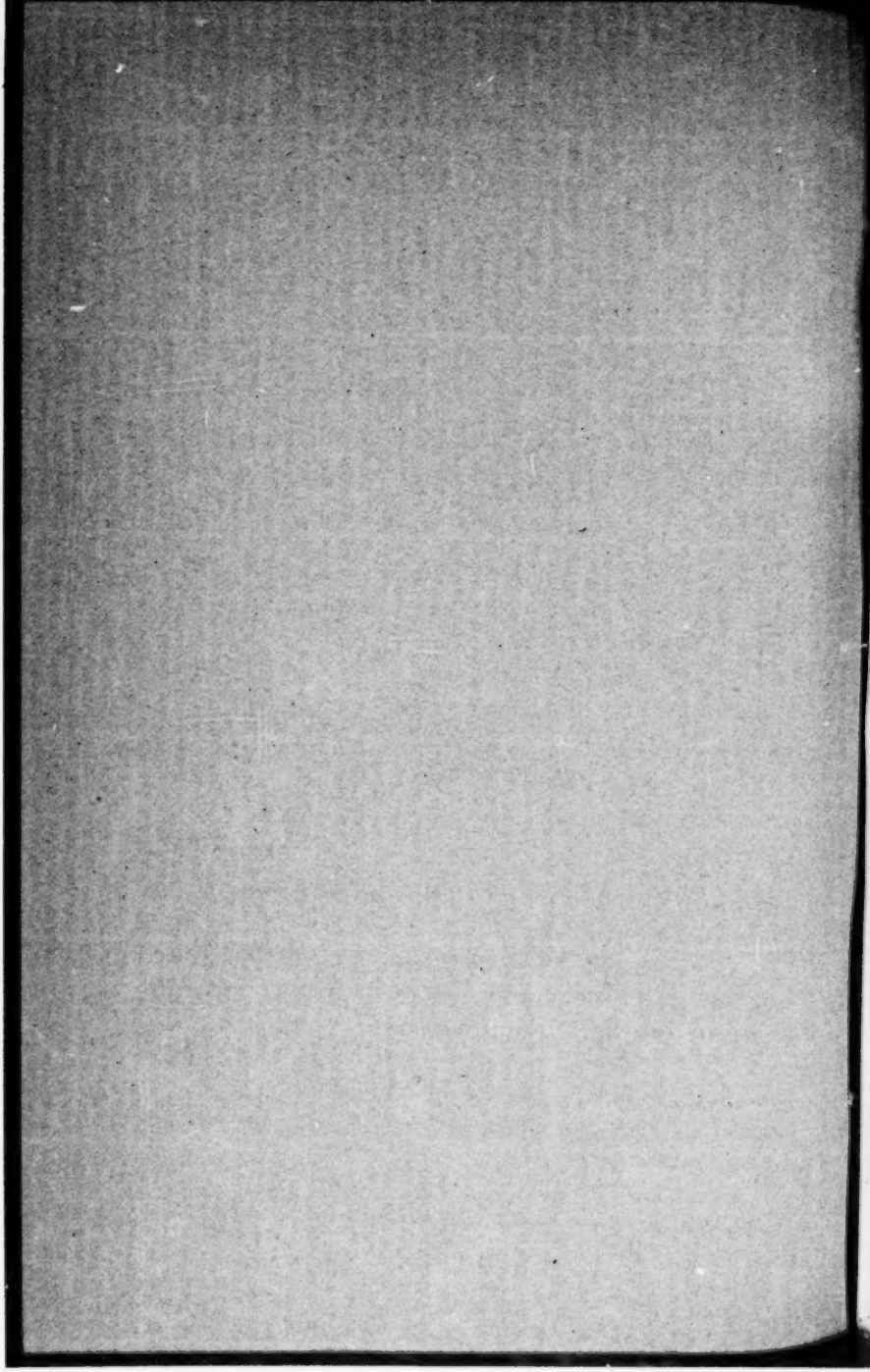

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Supreme Court of the United States.

OCTOBER TERM, 1899.

No. 113.

SAMUEL CASTNER, Jr., and HENRY B. CURRAN, trading under the firm name and style of CASTNER & CURRAN, Petitioners,

v.

W. H. COFFMAN, doing business under the name and style of POCOHONTAS COKE AND COAL COMPANY, and W. H. COFFMAN COKE COMPANY.

MEMORANDUM OF AUTHORITIES RELIED ON BY THE PETITIONERS.

A.

Authorities in support of the proposition that a word adopted as a trademark before it has any geographical significance remains a good trademark although it may afterwards become the name of a geographical district.

Atwater v. *Castner*, 88 Fed. Rep. 642 (1898), "Pocahontas Coal."

Williams v. *Adams*, 8 Biss. 452, 455 (1879), "Yankee Soap."

There is a complete analogy between these cases and those

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cases where trademarks have been protected, which, (1) subsequent to their adoption by the first user for some new article, have come to be the popular and generic term of description for such article.

Celluloid Mfg. Co. v. *Cellonite Mfg. Co.*, 32 Fed. Rep. 94, 98, "Celluloid."

Selchow v. *Baker*, 93 N.Y. 59, "Sliced Animals."

(These cases are referred to as "good law" by COLT, J., in *Indurated Fibre Co.* v. *Amoskeag Co.*, 37 Fed. Rep. 695.)

See also —

Celluloid Mfg. Co. v. *Read*, 47 Fed. Rep. 712.

Fairbank Co. v. *Lard Co.*, 64 Fed. Rep. 134, 136.

Or which, (2) subsequent to their adoption, have become a trade term denoting quality.

Burton v. *Stratton*, 12 Fed. Rep. 696, 702 (1882), "Twin Brothers' Yeast."

(This case was cited with approval by the United States Supreme Court in *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U.S. 537, 547.)

Practically all of the above cases are abstracted or referred to in petitioners' brief, so that they are merely cited in this memorandum.

B.

Authorities in support of the rule that, although a geographical word cannot be exclusively appropriated as a trademark, a defendant may nevertheless be restrained from using such a word without clearly and unmistakably distin-

guishing his goods from plaintiff's, if the word has acquired a secondary meaning signifying to the public that goods so marked are the plaintiff's goods.

I.

The underlying rule is laid down in *Perry* v. *Truefitt*, 6 Beav. 66 (1842), in which suit the plaintiff asked for an injunction restraining the defendant from using the words "Medicated Mexican Balm" on a preparation for the hair. It was said by Lord LANGDALE, M.R. (p. 73), —

> "I think that the principle on which both courts of law and of equity proceed in granting relief and protection in cases of this sort is very well understood. A man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practise such a deception, nor to use the means which contribute to that end. He cannot therefore be allowed to use names, marks, letters or other *indicia* by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person."

In *Saxlehner* v. *Apollinaris Co.* [1897] 1 Ch. Div. 893, at 899, it was said by KEKEWICH, J., that —

> "The proposition that nobody has any right to represent his goods as the goods of somebody else has no limit as regards name, origin, honesty of manufacture or sale or otherwise. . . . It matters not, therefore, how a plaintiff's goods came to acquire a particular value or how a defendant's goods have come to adopt that value. If in fact the defendant is selling his goods as

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those of the plaintiff he is doing what the law will not allow."

So in *McLean* v. *Fleming*, 96 U.S. 245 (1877), where plaintiff sought to restrain defendant from using label similar to the plaintiff's, it was said by CLIFFORD, J. (p. 255), that —

> "Equity gives relief in such a case upon the ground that one man is not allowed to offer his goods for sale, representing them to be the manufacture of another trader in the same commodity."

II.

Whether or not a particular defendant is passing his goods off as those of the plaintiff is, of course, a question of fact to be determined on the evidence.

In *Reddaway* v. *Banham* [1896] App. Cas. 199, it was said by Lord HALSBURY, L.C. (p. 204), that —

> "I believe the principle of law may be very plainly stated, and that is, that nobody has any right to represent his goods as the goods of somebody else. How far the use of particular words, signs or pictures does or does not come up to the proposition which I have enunciated in each particular case must always be a question of evidence; and the more simple the phraseology, the more like it is to a mere description of the article sold, the greater becomes the difficulty of proof; but if the proof establishes the fact the legal consequence appears to follow."

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III.

Authorities directly supporting the above proposition that where the name of a geographical district has become so associated with a complainant's goods as to indicate to the public that goods marked therewith are goods of the complainant and of no one else, the defendant, even though his goods are produced in the same district, will be restrained from using the name of the district in connection with his goods without clearly and unmistakably distinguishing the same from the complainant's goods.

In *American Waltham Watch Co.* v. *U.S. Watch Co.*, 173 Mass. 85; 53 N.E. Rep. 141; 43 L.R.A. 826 (1899), decided last March by the Supreme Court of Massachusetts, it was found by the court that —

> "The plaintiff was the first manufacturer of watches at Waltham and had acquired a great reputation before the defendant began to do business."

It was further found that —

> "The word 'Waltham' which originally was used by the plaintiff in a merely geographical sense, now, by long use in connection with the plaintiff's watches, has come to have a secondary meaning as a designation of the watches which the public has become accustomed to associate with that name."

In enjoining the defendant from using the words "Waltham" or "Waltham, Mass." on the plates of its watches "without some accompanying statement which shall clearly distinguish its watches from those made by the plaintiff," HOLMES, J., thus summed up the law of unfair competition so far as it applied to the case before him (at page 87 of 173 Mass.):

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"We think the cases show that the defendant fairly may be required to avoid deceiving the public to the plaintiff's harm, so far as is practicable in a commercial sense. It is true that a man cannot appropriate a geographical name; but neither can he a color, or any part of the English language, or even a proper name to the exclusion of others whose names are like his. Yet a color in connection with a sufficiently complex combination of other things may be recognized as saying so circumstantially that the defendant's goods are the plaintiff's as to pass the injunction line. *New England Awl & Needle Co.* v. *Marlborough Awl & Needle Co.*, 168 Mass. 154, 156; 46 N.E. 386. So, although the plaintiff has no copyright on the dictionary, or any part of it, he can exclude a defendant from a part of the free field of the English language, even from the mere use of generic words, unqualified and unexplained, when they would mislead the plaintiff's customers to another shop. *Reddaway* v. *Banham* [1896] App. Cas. 199. So, the name of a person may become so associated with his goods that one of the same name coming into the business later will not be allowed to use even his own name without distinguishing his wares. *Brinsmead* v. *Brinsmead*, 13 Times Law R. 3; *Reddaway* v. *Banham* [1896] App. Cas. 199, 210. See *Singer Mfg. Co.* v. *June Mfg Co.*, 163 U.S. 169, 204; 16 Sup. Ct. 1002. *Cream Co.* v. *Keller*, 85 Fed. 643. *And so, we doubt not, may a geographical name acquire a similar association with a similar effect. Montgomery* v. *Thompson* [1891] App. Cas. 217.

"Whatever might have been the doubts some years ago, we think that now it is pretty well settled that the plaintiff, merely on the strength of having been first in

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the field, may put later comers to the trouble of taking such reasonable precautions as are commercially practicable to prevent their lawful names and advertisements from deceitfully diverting the plaintiff's custom."

In the *American Waltham Watch Co.* v. *Sandman*, 96 Fed. Rep. 330 (C.C. 1899), the facts were the same as in the Waltham Watch case decided by the Massachusetts court. Judge TOWNSEND says, —

> "It appears that originally the name 'Waltham' was thus used in a geographical sense, but by continued use it has acquired a secondary meaning as a designation of watches of a particular class, and purchasers have come to understand that watches stamped with the name 'Waltham' are watches made by complainant. . . . The controlling questions herein have been elaborately discussed by Judges KNOWLTON and HOLMES, of the Supreme Judicial Court of Massachusetts, in *American Waltham Watch Co.* v. *United States Watch Co.*, 53 N.E. 141; and in the views therein expressed I heartily concur. The ground of said decisions is that such conduct is in violation of the law against unfair trade, and is intended to deceive and defraud the public, and to deprive the complainant of the trade and good will to which it is entitled. . . . A decree may be entered for an injunction and an accounting."

See also —

Gebbie v. *Stitt*, 82 Hun, 93 (1894), "Deer River Plows," stated on page 15 of petitioners' brief.

Atwater v. *Castner*, 88 Fed. Rep. 642 (C.C. A. 1898.) (The opinion in *Atwater* v. *Castner* is printed at the end of petitioners' brief.)

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Besides these cases, directly asserting the above proposition as the ground of the decision, the same proposition is recognized in other American decisions.

In *Gage-Downs Co.* v. *Featherbone Corset Co.*, 83 Fed. Rep. 213 (C.C. 1897), it was said by SEVERENS, J. (p. 214), that —

> "There are many cases in which it has been held that the name of the place where goods are manufactured is not the subject of appropriation, and this may be said to be the general rule, and to be applicable where that is the sole feature of the trademark or trade-name, and where the name of the place is used in its primary signification. But the use of the name of a place may, under circumstances, be such as to denote to the eye and mind of the public the name of the person who has, perhaps, by long-continued business in that place, or long appropriation of that name, and being the only person there who has thus appropriated and used that name, produced goods which have gained their favor. In such circumstances the name of the place may acquire a secondary signification, and become, instead of denoting the place where the goods are manufactured, a mark denoting the manufacturer, and in such case, and in the circumstance where the name has thus acquired a secondary signification, a party may use it, and may be entitled, possibly, to its exclusive use. In such a case it depends entirely upon the proof, and, if it appears that the name is used for the purpose of denoting the place where the goods are made, — if this is the primary object, — then it is not subject to be appropriated by any one person resident there. All other residents have the like privi-

lege of use. But if the circumstances of the case show clearly that the use of that name is a means of appropriating the business advantages, good-will and tradename of the complainant, that is not lawful."

In *Metcalfe* v. *Brand*, 5 S.W.R. 733 (Ky. 1887), the court recognized that a geographical word might acquire a secondary significance, pointing only to the goods of a specific manufacturer. The court, however, stated that a geographical word could not acquire this significance for a natural product. This distinction, we submit, is unsound, inasmuch as it is a question of fact in each case whether or not the geographical word in question has obtained a secondary significance. What the court says, therefore, with respect to manufactured articles is equally true with respect to natural products. We quote from HOLT, J. (p. 778):

"Where the manufacturer has given it [*i.e.* a manufactured article] a geographical name, which he was the first to use in connection with the article, it seems to us that it may from long use in such connection acquire a *secondary* meaning, and instead of designating the place where the article is made, indicate its origin or that it is the product of a particular manufacturer, or made according to his method. Where this is the case, it becomes in our opinion, a valid trade mark. It then designates the *particular goods of this one man*. The public so understand it, and this is the end and aim of a trade mark. The name is no longer used to indicate the place where they are made, but becomes the *name of his goods*. It gives notice that he is the maker. It, by reason of first and continued use and association with the name of the article made or sold by him, acquires an understood reference to him. It is the trade denom-

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ination of *his* article. It acquires a secondary meaning in connection with a particular manufacture."

The principal proposition has been frequently laid down in English cases.

In *Wotherspoon* v. *Currie*, L.R. 5 H.L. Eng. & Ir. App. 508 (1872, "Glenfield Starch"), the plaintiffs had manufactured "Glenfield Starch" at Glenfield from 1847 to 1868, and "Glenfield Starch" had come to mean the plaintiffs' starch. The plaintiffs moved away in 1868, but continued elsewhere the manufacture of "Glenfield Starch." After the plaintiffs moved away, the defendant rented a part of the original manufactory at Glenfield and manufactured starch. He sold it with labels affixed, headed "Royal Palace Starch," and ending with "Currie & Co., Starch and Corn Flour Manufacturers, Glenfield." Despite the great dissimilarity between the plaintiffs' and the defendant's labels, the defendant's starch, owing to the presence of the word "Glenfield" on the label, was in some instances, if not generally, sold as "Glenfield Starch." The use of the word "Glenfield" was enjoined by the House of Lords, and Lord HATHERLY said (p. 518), —

> "I apprehend that the plaintiffs ask only what they have a right to ask, namely, an injunction to prevent the use of the name of Glenfield upon the labels. The offence consisted in putting upon the labels that which naturally led, and from evidence of suspicious conduct we are justified in saying was intended to lead, to the conclusion on the part of the public that when they buy the defendant's goods they are buying an article manufactured by the plaintiff; they are led to this conclusion in consequence of a name being used, the celebrity of

> which was first acquired by the plaintiff, and the value of which was first acquired by its being applied to the plaintiff's manufacture, which, of course, they think it continues to be."

Lord WESTBURY, in giving his reasons for granting an injunction, said (p. 521), —

> "I take it to be clear from the evidence that long antecedently to the operations of the defendant, the word 'Glenfield' had acquired a secondary signification or meaning in connection with a particular manufacture; in short, it had become the trade denomination of the starch made by the plaintiff. It was wholly taken out of its ordinary meaning and in connection with starch had acquired that peculiar secondary signification to which I referred."

An injunction was accordingly granted, restraining the defendant, in substance, from using the word "Glenfield" on any labels on starch manufactured by him; from in any other way representing starch manufactured by him to be "Glenfield Starch;" and from selling or causing the same to be sold as "Glenfield Starch;" and from doing any act or thing to induce the belief that starch manufactured by him is "Glenfield Starch," or starch manufactured by plaintiffs.

The very important case of *Montgomery* v. *Thompson* [1891] App. Cas. 217, "Stone Ale," is fully stated in petitioners' brief at pages 16 to 19.

See also —

Seixo v. *Provezende*, L.R. 1 Ch. App. 192 (1865), "Seixo Wine."

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[In this case defendant was enjoined from using the word "Seixo" without clearly distinguishing the same from the wine produced by Quinta do Seixo. This form of injunction is expressly approved in *Montgomery* v. *Thompson*, *supra*, and is also followed in *Reddaway* v. *Banham*, *infra*.]

Siegert v. *Findlater*, L.R. 7 Ch. Div. 801 (1878), "Angostura Bitters."

Huntley v. *Reading Biscuit Co.*, 10 R.P.C. 277 (1893), "Reading Biscuits."

Birmingham Vinegar Brewery Co. v. *Powell* [1897], App. Cas. 710, "Yorkshire Relish."

The rule laid down in the foregoing cases that where the name of a geographical district has become identified with the goods of a plaintiff, a defendant, although manufacturing or producing his goods in the same district, will be restrained from using the name of the district on his goods without clearly distinguishing them from those of the plaintiff, for the reason that otherwise his use of the name would untruthfully represent his goods to be those of the plaintiff, is only a logical and necessary application of the well-recognized rule that a defendant, manufacturing or producing his goods in a geographical district other than the plaintiff's, may be restrained from using on his goods the name of the plaintiff's geographical district. In both classes of cases a false representation is in fact being made, and as such will be enjoined.

In support of this last-mentioned rule, see —

Newman v. *Alvord*, 51 N.Y. 189 (1872), "Akron Cement."

Brahim v. *Beachim*, 7 Ch. Div. 848 (1878), "Radstock Colliery."

Association v. *Piza*, 24 Fed. Rep. 149 (C.C. 1885), "St. Louis Lager Beer."

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Lead Co. v. *Cary*, 25 Fed. Rep. 125 (C.C. 1885).

Pike Mfg. Co. v. *Stone Co.*, 35 Fed. Rep. 896 (C.C. 1888), "Lamoille Whetstones."

Lead Co. v. *Coit*, 39 Fed. Rep. 492 (C.C. 1888).

Gage-Downs Co. v. *Featherbone Corset Co.*, 83 Fed. Rep. 213 (C.C. 1897), "Chicago Waists."

Pillsbury-Washburn Flour Mills Co. v. *Eagle*, 86 Fed. Rep. 608 (C.C.A. 1898), "Minneapolis Flour."

Collinsplatt v. *Finlayson*, 88 Fed. Rep. 693 (C.C. 1898), "Plymouth Gin."

IV.

Closely analogous to the above cases are cases asserting the rule that where a personal name or a "generic" or a "descriptive" name, or a word or mark indicative of quality, which in and of itself cannot be monopolized as a technical trademark, has become so associated with the plaintiff's goods that such names or words when used in connection with the kind of goods made or sold by the plaintiff mean to the public generally the plaintiff's goods, the defendant, even though he be of the same name as the plaintiff, or though his goods would properly be described by the same "generic" or "descriptive" names, or their quality properly indicated by the use of the word or mark used by the plaintiff, did those names or words possess merely their ordinary significance, will be restrained from using such names or words in connection with his goods without clearly distinguishing his goods from those of the plaintiff.

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(*a*) Cases Dealing with Use of Defendant's own Name.

In *Pillsbury &c. Mills Co.* v. *Eagle*, 86 Fed. Rep. 608 (C. C. A. 1898), the close analogy between the use of personal names as a distinguishing mark on goods, and the use of geographical names for the same purpose, is clearly recognized. It was said by Bunn, J. (p. 627), that —

> "The cases in which a person has been enjoined from using his own name in connection with other labels or brands upon his goods proceed upon the same general ground of deceit and unfair competition in trade. If a person may be restrained from the use of his own name upon his own goods because such use, in the circumstances, will deceive the public into purchasing his goods believing them to be the goods of another, to the injury of the public and the good will and business of such other person, so, also, on the like principle, may he be restrained from using any other proper or geographical name when such use will produce like results."

In *Clark Thread Co.* v. *Armitage*, 74 Fed. Rep. 936 (C. C. A. 1896), plaintiffs manufactured spool cotton, and marked its spools "Clark's O.N.T. Spool Cotton." Defendant, who was selling agent of a recently incorporated "William Clark Co.," sold spools of cotton marked "Clark's N.E.W. Spool Cotton."

The Circuit Court (see 74 Fed. Rep. 943) enjoined the defendant —

> "against the use by labels, circulars, publication, or by word of mouth, of the designation 'Clark's' as the name or part of the name of the thread manufactured by the William Clark Company, and from selling thread manu-

factured by said company under the name of 'Clark's' or 'Clark's Spool Cotton' or 'Clark's Thread,' but did not restrain the use . . . of the corporate name of the William Clark Company, on labels or otherwise, provided that the word 'Clark' was not printed so as to be a practical violation of the rest of the injunction."

The Circuit Court of Appeals sustained the injunction. SHIPMAN, J., referring to the defendant's argument that inasmuch as the new corporation was entitled to use the corporate name, the defendant had a right to advertise and sell its thread as and for "Clark's Spool Cotton" and "Clark's Thread," states that (p. 943), —

"Assuming that the corporate name was not improper, *the fallacy of the defendant consists in the assertion that when he called the goods 'Clark's Spool Cotton,' he was simply telling the truth.* On the contrary, he was attempting to make the public believe that the goods belonged to another Clark, and there is evidence that the attempt was partially successful."

In *Walter Baker & Co.* v. *Sanders*, 80 Fed. Rep. 889 (C.C.A. 1897), complainants and predecessors had for many years manufactured chocolate and cocoa under the name of "Baker's Chocolate" and "Baker's Breakfast Cocoa." Defendant was the New York selling agent of a man by the name of Baker who began to manufacture chocolate and cocoa, and put it on the market under the name of "Baker's Chocolate" and "Baker's Breakfast Cocoa," using labels very similar to those used by complainants. It was said by LACOMBE, J. (p. 894), —

"Complainant's goods had become well known as

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'Baker's Chocolate,' and when 'Baker's Chocolate' was called for it was understood to be Walter Baker's chocolate that was intended. The public do not go into the minuter refinements of the title or the label. Whether it is described as 'Walter Baker's Chocolate,' or 'William Baker's Chocolate,' or 'W. H. Baker's Chocolate, or 'W. H. Baker's Best Chocolate,' so long as the title contains the words which in trade and among consumers have come to be the every day designation of complainant's goods, the chocolate so labeled will naturally be assumed to be complainant's unless special care be taken to indicate that it is not. . . . The complainant is entitled to relief against further use of a title which causes confusion, provided such relief can be granted without depriving W. H. Baker of the right to use his own name in connection with the chocolate business."

Defendant was accordingly enjoined (p. 895) —

"from using in connection with the business of making or selling chocolate, on labels, wrappers, cans, boxes, cakes, molds, signs, letter heads, bill heads or advertisements, or in any other manner whatsoever, the word 'Bakers,' 'Baker's,' or 'Bakers'' alone, or the word 'Bakers,' 'Bakers',' or 'Baker's' (whether the same be or be not coupled with other names or initials) in such a collocation with the word 'chocolate' (whether the same be or be not coupled with some further descriptive word or words) as to indicate that the chocolate so made or sold is a variety of 'Baker's Chocolate. But defendant may indicate thereon in appropriate language that the chocolate is made or prepared or sold for or by W. H. Baker, of Winchester, Va."

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But the court gave defendant his option of affixing upon every package bearing his infringing labels, in type as prominent as the title, the statement that —

> "W. H. Baker is distinct from and has no connection with the old chocolate manufactory of Walter Baker & Company."

In *Walter Baker & Co.* v. *Baker*, 87 Fed. Rep. 209 (C.C. 1898), defendant was a William P. Baker of New York. Complainants (who were also complainants in the preceding case) brought suit to restrain defendant from using words "Baker's Chocolate" and "Baker's Cocoa." It was said by SHIPMAN, J. (p. 210), —

> "The well-known short name by which the public styles the article of the complainant is 'Baker's Chocolate,' and thus the public regards what is presented under that name as the complainant's article, and associates the name with a particular factory of long existence and permanence. The defendant has a right to manufacture chocolate, and to acquire his own reputation under his own name, but not to use the name so as to deceive the purchaser. *When he presents his article as W. P. Baker's Chocolate, he not only improperly works mischief to the pre-existing manufacturer, but he wrongs the public, because he does not accompany his name with such indications that the thing manufactured is the work of the one making it as will unmistakably inform the public of that fact.*"

The court accordingly granted an injunction in precisely the same terms as that granted in the preceding case of *Baker & Co.* v. *Sanders*, with, however, this addition:

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> "From using, as aforesaid, the initial 'W.,' in combination with the name 'Baker;' but the defendant may use his full name, 'William Phillips Baker,' or 'William P. Baker,' in conformity with this decree."

The court explained this additional clause of the injunction as follows (p. 211): —

> "I do not perceive any good reason why a newcomer in the chocolate business, who desires to use his own name of 'Baker,' should use it in the form which most closely resembles the well-known name of another manufacturer. Under the name of 'William P. Baker,' the defendant can gain his own reputation, and enjoy the benefit of his own name."

In *Massam* v. *Thorley's Cattle Food Co.*, 14 Ch. Div. 748 (C.A. 1880), plaintiffs and their predecessor had manufactured "Thorley's Food for Cattle" for twenty-one years. Defendant company took the name of a man named Thorley and manufactured the same preparation under the same name as plaintiffs. It was said by BRAMWELL, L.J. (p. 760), —

> "It is said that it is hard if a man has the name of Thorley that he cannot make food and sell it as Thorley's Food. So he may, but if unfortunately for him some preceding Thorley has carried on the business of making cattle food in such a way that by the name 'Thorley's Cattle Food' is understood the manufacture of that man, then the second Thorley . . . must take care so to conduct his business as not to be mistaken for the original Thorley, and if he carries on his business so as to be mistaken, he must be restrained from doing it."

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An injunction was accordingly granted restraining the defendant generally —

> "from in any manner representing or causing or procuring to be represented any goods by the defendant company as the manufacture or goods . . . of the plaintiffs."

And more specifically restraining the defendant —

> "from affixing . . . to any goods or articles manufactured . . . or sold . . . by the defendant . . . any labels, wrappers, or marks, . . . so contrived and prepared as to represent or lead to the belief that the goods or articles manufactured or sold . . . by the defendant . . . are the goods or manufacture of the . . . plaintiffs."

See also —

Wm. Rogers Mfg. Co. v. *R. W. Rogers Co.*, 66 Fed. Rep. 56 (C.C. 1895); affirmed on appeal, 70 Fed. Rep. 1017.

Walter Baker & Co. v. *Baker*, 77 Fed. Rep. 181 (C.C. 1896).

Allegretti Chocolate Cream Co. v. *Keller*, 85 Fed. Rep. 643 (C.C. 1898).

Garrett v. *Garrett*, 78 Fed. Rep. 472 (C.C.A. 1896).

Arnheim v. *Arnheim*, 58 N.Y. Sup. 948 (N.Y. Sup. Ct. 1899).

Stuart v. *Stewart Co.*, 91 Fed. Rep. 243 (C.C.A. 1899).

Robinson v. *Storm*, 52 S.W. Rep. 880 (Tenn. 1899).

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Croft v. *Day*, 7 Beav. 84 (1843).
Brinsmead v. *Brinsmead*, 13 The Times, L.R. 3 (1897).
Pinet v. *Pinet* [1898] 1 Ch. Div. 179.

In several of these "personal name" cases the courts have thought it expedient to compel the defendant to place upon his goods some such inscription as "No connection with the original A B," in order to prevent the likelihood of a continued deception of the public.

In *Baker* v. *Sanders*, 80 Fed. Rep. 889 (C.C.A. 1897), the defendant was given his option, as stated *supra*, pp. 16, 17 of obeying the injunction against the continued use of his infringing labels, or of affixing upon every package bearing those labels, in type as prominent as the title, the statement that —

> "W. H. Baker is distinct from and has no connection with the old chocolate manufactory of Waiter Baker & Company."

In *Allegretti Chocolate Cream Co.* v. *Keller*, 85 Fed. Rep. 643 (C.C. 1898), LACOMBE, J., granted a preliminary injunction —

> "restraining the defendant, Keller, from selling the candies of Allegretti & Co., in packages bearing the name, 'Allegretti,' unless such name be accompanied with the statement: 'No connection with the original Allegretti of Chicago'; and . . . from using the said name in signs or advertisements unaccompanied with a like statement."

In *Brinsmead* v. *Brinsmead*, 13 The Times, L.R. 3 (C. A. 1896), the defendants were enjoined by the English

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Court of Appeals from using the name "Brinsmead" (although that was their name) in connection with the sale, manufacture or hiring of pianos, without adding an express statement that they were distinct from and had no connection with the old firm of John Brinsmead & Sons. A. L. SMITH, L.J., added that *this order* (which was granted in the first instance by NORTH, J., in the lower court) "*was in an excellent form and according to his experience it was a common form.*"

(*b*) CASES DEALING WITH USE OF "GENERIC" OR "DESCRIPTIVE" NAMES.

In *Singer Mfg. Co.* v. *June Mfg. Co.*, 163 U.S. 169 (1896), the plaintiff company had long manufactured "Singer" sewing machines under patents which gave it an exclusive right to manufacture that type of machine. After the expiration of the patents, defendant company manufactured similar machines, stamping them with the word "Singer." Plaintiff brought suit to enjoin defendant's use of this word. The court held (p. 183) that on the expiration of the patents, the word "Singer" became the generic description of the type of machine previously manufactured exclusively by the plaintiff company under its patents, *but that in a secondary sense the word "Singer" did mean to the public machines manufactured by the plaintiff company, and so was an indication of source of origin.*

It was said by Mr. Justice WHITE (p. 187) that —

> "It is obvious that if the name dedicated to the public, either as a consequence of the monopoly or by the voluntary act of the party, has a twofold significance, one generic and the other pointing to the origin of manufacture and the name is availed of by another

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without clearly indicating that the machine, upon which the name is marked, is made by him, then the right to use the name because of its generic signification, would imply a power to destroy any good will which belonged to the original maker. It would import, not only this, but also the unrestrained right to deceive and defraud the public by so using the name as to delude them into believing that the machine made by one person was made by another.

"To say that a person who has manufactured machines under a patented monopoly can acquire no good will, by the excellence of his work, or the development of his business, during the patent, would be to seriously ignore rights of private property, and would be against public policy, since it would deprive the one enjoying the patent of all incentive to make a machine of a good quality, because at its termination all the reputation or good will resulting from meritorious work would be subject to appropriation by every one. On the other hand, to compel the one who uses the name after the expiration of the patent, to indicate that the articles are made by himself, in no way impairs the right of use, but simply regulates and prevents wrong to individuals and injury to the public.

"This fact is fully recognized by the well settled doctrine which holds that although 'every one has the absolute right to use his own name honestly in his own business, even though he may thereby incidentally interfere with and injure the business of another having the same name. In such case the inconvenience or loss to which those having a common right are subjected is *damnum absque injuria*. But although he may thus use his name, he cannot resort to any artifice or do any act

calculated to mislead the public as to the identity of the business firm or establishment, or of the article produced by them, and thus produce injury to the other beyond that which results from the similarity of name.' *Russia Cement Company* v. *Le Page*, 147 Mass. 206, 208; *Pillsbury* v. *Pillsbury*, 24 U.S. App. 395, 404; *Croft* v. *Day*, 7 Beavan, 84; *Holloway* v. *Holloway*, 13 Beavan, 209; *Wotherspoon* v. *Currie*, L.R. 5 H.L. 508; *Montgomery* v. *Thompson* [1891] App. Cas. 217; *Howard* v. *Henriques*, 3 Sandf. (N.Y.) 725; *Meneely* v. *Meneely*, 62 N.Y. 427; *Lawrence Manufacturing Company* v. *Tennessee Manufacturing Company*, 138 U.S. 537; *Brown Chemical Company* v. *Meyer*, 139 U.S. 540; *Coates* v. *Merrick Thread Company*, 149 U.S. 562. Where the name is one which has previously thereto come to indicate the source of manufacture of particular devices, the use of such name by another, unaccompanied with any precaution or indication, in itself amounts to an artifice calculated to produce the deception alluded to in the foregoing adjudications."

And again (p. 199):

"Where, during the life of a monopoly created by a patent, a name, whether it be arbitrary or be that of the inventor, has become, by his consent, either express or tacit, the identifying and generic name of the thing patented, this name passes to the public with the cessation of the monopoly which the patent created. Where another avails himself of this public dedication to make the machine and use the generic designation, he can do so in all forms with the fullest liberty, by affixing such name to the machines, by referring to it in advertisements and by other means, subject, however, to the

> condition that the name must be so used as not to deprive others of their rights or to deceive the public, and, therefore, that the name must be accompanied with such indications that the thing manufactured is the work of the one making it as will unmistakably inform the public of that fact."

The decree of the court below, dismissing plaintiff's bill, was accordingly reversed, and the defendant was enjoined (p. 204), —

> "First, from using the word 'Singer' or any equivalent thereto, in advertisements in relation to sewing machines, without clearly and unmistakably stating in all said advertisements that the machines are made by the defendant, as distinguished from the sewing machines made by the Singer Manufacturing Company; second, also, perpetually enjoining the defendant from marking upon sewing machines or upon any plate or device connected therewith or attached thereto the word 'Singer,' or words or letters equivalent thereto, without clearly and unmistakably specifying in connection therewith that such machines are the product of the defendant or other manufacturer, and therefore not the product of the Singer Manufacturing Company."

In *Reddaway* v. *Banham* [1896], App. Cas. 199, it appeared that from 1879 to 1889 appellant (plaintiff below) manufactured belting from camel's hair and called it "Camel Hair Belting" (which name he stamped on the belting). Up to 1889 he was the first and only manufacturer so to do. In 1889 respondent began making the same sort of article and stamped "Camel Hair Belting" thereon, and sold it under that name.

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In trial court the jury found that "Camel Hair Belting" meant to purchasers generally plaintiff's belting, and did not mean belting made out of camel's hair; that defendant's description of its belting was likely to mislead purchasers and to lead them to buy defendant's belting as and for plaintiff's belting; and that defendant endeavored to pass off its belting as the plaintiff's.

In the House of Lords the proof was accepted as satisfactory that "camel hair" belting had come to have a secondary significance, and to mean to purchasers generally the plaintiff's belting.

It was said by Lord HALSBURY, L.C. (p. 204), —

> "For myself, I believe the principle of law may be very plainly stated, and that is, that nobody has any right to represent his goods as the goods of somebody else. How far the use of particular words, signs, or pictures does or does not come up to the proposition which I have enunciated, in each particular case, must always be a question of evidence; and the more simple the phraseology, the more like it is to a mere description of the article sold, the greater becomes the difficulty of proof; but if the proof establishes the fact the legal consequence appears to follow."

It was said by Lord HERSCHELL (p. 210), —

> "The name of a person or words forming part of the common stock of language may become so far associated with the goods of a particular maker that it is capable of proof that the use of them by themselves without explanation or qualification by another manufacturer would deceive a purchaser into the belief that he was getting the goods of A, when he was really getting the goods of B.

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In a case of this description, the mere proof by the plaintiff that the defendant was using a word or device which he had adopted to distinguish his goods would not entitle him to any relief. He could only obtain it by proving further that the defendant was using it under such circumstances or in such manner as to put off his goods as the goods of the plaintiff. If he could succeed in proving this, I think he would on well established principles be entitled to an injunction."

And again (p. 212):

"I rather demur . . . to the statement of JAMES, L.J. [*i.e.*, in *Massam* v. *Thorley's Cattle Food Co.*], that the defendant in *Wotherspoon* v. *Currie* was not telling a lie in calling his starch 'Glenfield Starch,' as I do to the view that the defendants in this case were telling the simple truth when they sold their belting as camel hair belting. I think the fallacy lies in overlooking the fact that a word may acquire in a trade a secondary signification differing from its primary one, and that if used to persons in the trade who will understand it and be known and intended to understand it in its secondary sense, it will be none the less a falsehood that in its primary sense it may be true. A man who uses language which will convey to persons reading or hearing it a particular idea which is false, and who knows and intends this to be the case, is surely not to be absolved from a charge of falsehood because in another sense which will not be conveyed, and is not intended to be conveyed, it is true."

And again (p. 214):

"What right, it was asked, can an individual have to

> restrain another from using a common English word because he has chosen to employ it as his trademark? I answer he has no such right; but he has a right to insist that it shall not be used without explanation or qualification if such a use would be an instrument of fraud."

The injunction accordingly restrained —

> "defendants and each of them from using the words 'camel hair' as descriptive of, or in connection with, belting manufactured by them, or either of them, or belting (not being of plaintiff's manufacture) sold or offered for sale by them or either of them without clearly distinguishing such belting from the belting of the plaintiffs."

See also —

Cochrane v. *MacNish* [1896], App. Cas. 225 (P.C.) "Club Soda."

(*c*) Cases Dealing with use of Words or Marks Indicative of Quality.

In *Dennison Mfg. Co.* v. *Thomas Mfg. Co.*, 94 Fed. Rep. 651 (1899), decided by the Circuit Court for the District of Delaware only last May, the complainant's bill alleged in effect that certain marks, originally adopted by it to denote the size and quality of its various tags and labels, had become so identified with its goods that defendant, by copying the marks, deceived the public into thinking defendant's goods were goods of the complainant, and that the complainant was thereby damaged. Defendant demurred, on the ground that complainant could have no relief against the use by others of marks indicative of quality. In overruling the demurrer, Bradford, J., though admitting that a mark indicating

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quality cannot be exclusively appropriated as a technical trademark, held that because of the significance which these marks, through association with the complainant's goods, had acquired, the complainant had made out a case entitling it to relief against the defendant's acts. BRADFORD, J., says (p. 569), —

> "This doctrine [*i.e.* the restraint of unfair competition] rests on the broad proposition that equity will not permit any one to palm off his goods on the public as those of another. The law of trade-marks is only one branch of the doctrine. But while the law of trade-marks is but part of the law of unfair competition in trade, yet when the two are viewed in contradistinction to each other an essential difference is to be observed. The infringement of trade-marks is the violation by one person of an exclusive right of another person to the use of a word, mark, or symbol. Unfair competition in trade, as distinguished from infringement of trade-marks, does not involve the violation of any exclusive right to the use of a word, mark, or symbol. The word may be purely generic or descriptive, and the mark or symbol indicative only of style, size, shape, or quality, and as such open to public use 'like the adjectives of the language,' yet there may be unfair competition in trade by an improper use of such word, mark, or symbol. Two rivals in business competing with each other in the same line of goods may have an equal right to use the same words, marks, or symbols on similar articles produced or sold by them respectively, yet if such words, marks, or symbols were used by one of them before the other, and by association have come to indicate to the public that the goods to which they are

applied are of the production of the former, the latter will not be permitted, with intent to mislead the public, to use such words, marks, or symbols in such a manner, by trade dress or otherwise, as to deceive or be capable of deceiving the public as to the origin, manufacture or ownership of the articles to which they are applied; and the latter may be required, when using such words, marks, or symbols, to place on articles of his own production or the packages in which they are usually sold something clearly denoting the origin, manufacture or ownership of such articles, or negativing any idea that they were produced or sold by the former."

The decision in the foregoing case relies largely on *Reddaway* v. *Banham*, and the Singer case, *supra*.

V.

In order for the plaintiff to obtain relief under the principles laid down in the Singer case and the other cases cited above, it is unnecessary to show that defendant's deception of the public was fraudulently conceived.

In *Singer Co.* v. *Loog*, 18 Ch. Div. 395 (C.A. 1880), COTTON, L.J., says, —

"It is unnecessary that a fraudulent intention in issuing the circulars complained of, should be established. If the natural consequence of those things, even in circumstances not known to him (the defendant), is that they will represent the goods to be those of another person, it is wrongful."

In *Powell* v. *Birmingham Co.* [1896] 2 Ch. Div. 54, A. L. SMITH, L.J., says (p. 87), —

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> "The learned judge [*i.e.*, in the trial court] has not passed his judgment upon the ground of intention to deceive, but upon the ground that the defendant's acts were calculated to deceive, which of itself is sufficient to support the injunction irrespective of whether there was any intention to deceive or not."

In *Tarrant & Co.* v. *Hoff*, 76 Fed. Rep. 959 (C.C.A. 1896), "Hoff's Malt," the Court of Appeals (consisting of WALLACE, LACOMBE, and SHIPMAN, JJ.), in restraining defendant from labelling his bottles of malt with his own name, "Hoff," without distinguishing the same from complainant's malt sold under that name, said (p. 961), —

> "Courts in such cases do not require proof of any peculiarly iniquitous 'perfidious dealing.' If the representation as to what or whose the goods are is calculated to deceive the purchaser into buying them as goods of the complainant, equity will enjoin its continuance, although the 'deceitful representation' was placed upon them carelessly, or from lack of appreciation of the meaning it would convey to the purchaser, or from an honest mistake as to defendant's right to use it."

The above remarks were made, evidently, with reference to the dictum in *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U.S. 537, at 551, that in cases of "unfair competition," *i.e.*, where no technical trademark is involved, the defendant's "deceitful representation or perfidious dealing must be made out or be clearly inferable from the circumstances."

In *Singer Mfg. Co.* v. *June Mfg. Co.*, 163 U.S. 169, 199, 200, it is evident that, although defendant is found to have had a fraudulent intent, the court would have enjoined it had the fraudulent intent been absent. The word "Singer"

here was generic, but, nevertheless, in a *secondary* meaning, designated complainant's goods. The court held that complainant had no technical trademark in the word; that complainant was entitled to relief only upon the ground of unfair competition, and that defendant accordingly could use the name for its machines with the fullest and freest liberty, —

> *"subject however to the condition that the name must not be so used as to deprive others of their rights or to deceive the public and therefore that the name must be accompanied with such indications that the thing manufactured is the work of the one making it as will unmistakably inform the public of that fact."*

This summing up of the law excludes a fraudulent intent as a necessary element of unfair competition. It is simply necessary to show that the defendant's acts — whether the motive be fraudulent or innocent — "deceive the public," and so "deprive others of their rights." It is the result of defendant's acts, *i.e.*, deception of the public, and the consequent infringement of complainant's rights, not his intent or motive, that determines his liability. See *Tarrant* v. *Hoff*, *supra*.

See also —

Reddaway v. *Bentham Co.* [1892] 2 Q.B. 639, 644, 646, 648.

Valentine Co. v. *Valentine Co.*, 16 The Times, L.R. 33 (1899).

It is sometimes said in speaking of cases of this sort that defendant is liable only in case he has been acting fraudulently. What fraud is actually required, may be gathered from the following cases:—

In *Cochrane* v. *MacNish* [1896] App. Cas. 226, defend-

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ants were enjoined from using the words "Club Soda" upon their soda water. They urged that club soda was a descriptive phrase, and that they had no intent to deceive the public or to palm off their goods as the plaintiffs'. Court found that the phrase "Club Soda" had come to mean plaintiffs' soda, and that those words, as used by the defendants, were calculated to deceive, despite a wide dissimilarity between the labels on the plaintiffs' and defendants' bottles outside the use of this phrase.

Lord MORRIS said (p. 230), —

> "The respondents erred unwittingly at first, but as they persisted in their error after their attention was called to the fact that they were infringing the appellant's rights, their conduct in the eye of the law amounts to fraud and they must be held responsible for the consequences."

In *Singer Machine Manufacturers* v. *Wilson*, 3 App. Cas. 376 (1887), Lord CAIRNS, L.C., said (p. 391), —

> "What the motive of the defendant may be, the court has very imperfect means of knowing. If he was ignorant of the plaintiff's rights in the first instance, he is, as soon as he becomes acquainted with them and perseveres in infringing upon them, as culpable as if he had originally known them."

In *Mitchell* v. *Henry*, 15 Ch. Div. 181 (C.A. 1880), it is said by JAMES, L.J. (p. 191), —

> "The defendants must bear in mind that the original honesty of intention does not protect the continued user, if the user is found practically to have the result of deceiving or is calculated to deceive purchasers."

In *Orr, Ewing & Co.* v. *Johnston Co.*, 13 Ch. Div. 434 (C.A. 1880), it is said by JAMES, L.J. (p. 453), —

> "The moment that attention of the defendants, or any persons in their position, was called to the fact of the similarity of the two marks, and to the complaint of the persons who owned the first mark, that it was likely to injure them, it was his duty to immediately discontinue the use of the trademark complained of, and however honest or inadvertent the original mistake may have been, the continuation of the use of it after that was pointed out, is itself sufficient evidence of a fraudulent intention. The fraud would then consist in continuing to do it, even if there had been original inadvertence in the use of it."

In *Army &c. Society* v. *Army &c. Society of India*, 8 R.P.C. 426 (1891), it is said by KEKEWICH, J. (p. 429), —

> "I think they [*i.e.*, the defendants] must bear in mind that however innocent an act may be, the rule of the court has always been — as it must always be the rule in morals — that a man who insists upon doing a wrong act after it has been pointed out to be wrong, loses the benefit of his plea of original innocence."

In *N.E. Co.* v. *Marlborough Co.*, 168 Mass. 154 (1897), it is said by HOLMES, J. (p. 155), —

> "It is found that the defendant did not intend to deceive the public by passing off their goods for the plaintiff's, but this must be taken pretty strictly. They knew that they were putting the power to do so into the retail dealers' hands. It hardly can be doubted that they

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contemplated that the wholesale dealer, at whose request they put up their awls in this form, with full knowledge of the plaintiff's prior use, would or might try to deceive the public, and whether they did or not is immaterial. They knew it after they were warned by the plaintiff and stood upon their rights."

In *Manitowoc Co.* v. *Numsen*, 93 Fed. Rep. 196 (C.C.A. 1899), the judges adopt the phraseology of Judge JENKINS in the Circuit Court as follows: —

"A man may not use his own name to accomplish a a fraud, neither can he use a synonym, nor can he use the name of the city where he lives or its nickname, to accomplish a like purpose. It is always a question of fraud, but not necessarily of actual fraud. The act, however innocent, is considered constructively fraudulent if the result would tend to unfair trade, to confusion of goods and to interference with the rights of another."

See also —

Hendricks v. *Montague*, 17 Ch. Div. 638, 646, 647, 651 (C.A. 1881).

Saxlehner v. *Apollinaris Co.* [1897] 1 Ch. Div. 893, 900.

Millington v. *Fox*, 3 My. & Cr. 338 (1838).

Powell v. *Brewery Co.* [1896] 2 Ch. Div. 54, 67, 68, 82.

Le Page Co. v. *Cement Co.*, 51 Fed. Rep. 941 (C.C.A. 1892).

Stuart v. *Stewart Co.*, 91 Fed. Rep. 243, 246, 248, (C.C.A. 1899).

Robinson v. *Storm*, 52 S.W. Rep. 880 (Tenn. 1899).

C.

Authorities in support of the proposition that upon appeal from an order granting a preliminary injunction, the appellate court may reverse the order, but will not dismiss the bill.

I.

"The forms and modes of proceedings in suits of equity . . . in the Circuit and District Courts shall be according to the principles, rules and usages which belong to courts of equity . . . except when it is otherwise provided by statute or by rules of court made in pursuance thereof."

Rev. Sts. U.S. § 913.

"This act has been generally understood to adopt the principles, rules and usages of the court of chancery of England."

MARSHALL, C.J., in *Vattier* v. *Hinde*, 7 Pet. 251, 274 (1833).

These principles, rules, and usages of the English Court of Chancery are now expressly adopted by one of the rules of the Supreme Court of the United States in equity.

Equity Rule 90.

II.

The English equity practice, and the practice adopted in the better-considered equity decisions in this country, is adverse to dismissing a bill upon motion for preliminary injunction.

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In *Brooke* v. *Clarke*, 1 Swanst. 550 (1818), complainant prayed for an injunction and account for the infringement of a copyright. Lord Chancellor ELDON doubted complainant's title, and directed a case for the opinion of the Court of King's Bench. That court having certified that complainant had no title, defendant moved that the bill be dismissed. Lord Chancellor ELDON, in overruling the motion, said, —

> "We have therefore advanced thus far that the plaintiff cannot succeed in the motion for an injunction . . . but I feel that this bill cannot be dismissed without more delay. . . . The case may still be brought to a hearing. The person who then presides here may entertain a different opinion on the question of title."

In *Blow* v. *Taylor*, 4 Hen. & Mun. 159 (Va. 1809), appellant obtained an injunction to stay proceedings on a judgment at law. The chancellor, being of opinion that the entire controversy was concluded by the action at law, dissolved the injunction and dismissed the bill. On appeal to the Supreme Court of Appeals, it appeared that —

> "The whole Court were clearly of opinion that the complainant had a right to continue his cause as an original suit after the dissolution of the injunction and directed a decree to be entered.
>
> "'That there was no error in so much of the decree as dissolved the injunction but that the Court erred in dismissing the bill which should have been retained for further proceedings with leave to the parties to take depositions,' etc."

To the same effect are —

Cole v. *Sands*, 1 Tenn. 83 (1805).
Porter v. *Moffett*, 1 Morr. (Iowa), 108.

Brown v. *Wilson*, 56 Ga. 534.
Strong v. *Harrison*, 62 Miss. 61.

See also —

Charles River Bridge v. *Warren Bridge*, 6 Pick. 376, 393.
Basche v. *Pringle*, 21 Oregon, 24.
Lynn v. *Iron Co.*, 34 Md. 603–638.
Cheney v. *Jones*, 14 Fla. 587–620.

III.

Upon appeals from interlocutory decrees, it is now uniformly held that the Circuit Court of Appeals has the right in its discretion finally to dismiss complainant's bill. But in exercising this right the court carefully distinguishes appeals from interlocutory decrees, where the parties have completed their evidence upon the issues of the case and taken full proofs, and a full record is therefore before the court, and appeals from orders granting preliminary injunctions, where only ex-parte affidavits are filed. In the following cases, where the Court of Appeals has dismissed complainant's bill upon an appeal from an interlocutory decree, it is strongly intimated that the ex-parte affidavits and imperfect record in the case of an appeal from a preliminary injunction would, in accordance with the rule of practice in the above cases, preclude the Court of Appeals from dismissing the bill or finally disposing of the suit.

In *Richmond* v. *Atwood*, 52 Fed. Rep. 10 (C.C.A. for First Circuit, 1892), the leading decision upon the right to dispose finally of a suit upon an appeal from an interlocutory decree, this discrimination is very clearly made (p. 23):

"Unquestionably the circuit court upon the hearing therein might have found the facts against the complain-

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ant and dismissed the bill, and the question presented is whether this court, having an appeal before it involving the same record and the same facts, may, if error is found upon the general question of right, proceed to do what the court below should have done; or shall this court, although it has examined the record, and determined the right under the patent the other way, simply dissolve the injunction, permit the accounting to go on, and, after the useless expense and annoyance incident to such an investigation, upon re-examination of the same record, by the same court, put in execution the right which it had necessarily determined in the appeal theretofore considered? In our view, the accounting could in no way aid the final execution of the right already ascertained by this court, and under such circumstances would be worse than idle; and a rule which would permit such circuity and circumlocution is unnecessary, and would not be useful to either the parties or the court. Now, this case must be distinguished from the class of cases where the injunction is preliminary, and granted upon the bill, or where there is only a partial hearing upon the merits, or where the record is incomplete, or evidence is excluded which should have been considered. We are not called upon to decide as to the scope of the mandate under such circumstances, but it is probable that no one would contend that, as an invariable rule, it should go to a final disposition of the cause upon its merits. *Deas* v. *Thorne*, 3 Johns. 543; *Huntington* v. *Nicoll*, Id. 566.

"It is quite probable, indeed quite clear, that a distinction would be made between injunctions granted preliminarily as a matter of discretion, and a decree for an injunction granted upon the final determination of a particular right; and the general rule that an appellate

court interferes reluctantly with injunctions granted *in limine* as a matter of discretion should not, in our view, apply to an appeal under the statute from an interlocutory decree for a perpetual injunction based upon a final determination of the substantial property right in a patent cause. In the case under consideration, the hearing in the Circuit Court upon the merits as to the validity and the infringement of the patent, was full and complete, and the general property right was determined, so far as it could be done by that court; and the perpetual injunction, the order to account, and the appointment of the special master were based upon such determination of the property right. The record before us is complete. Everything is here for our consideration which was before the court below. We must go to the full merits, as shown by the record, in order to determine whether the interlocutory decree for a perpetual injunction is founded in error, and if we determine the property right adversely to the complainant, the injunction should be dissolved; and no sufficient reason has been suggested why the accounting — to which the complainant is not entitled, and which would be an invasion of a right, and therefore inequitable and improper, under our view of the case — should proceed."

In short, the ground of the decision is that, as the decree of the circuit courts was made upon the full merits, and necessarily adjudicated the property rights involved, the appellate court, having the whole merits before it, may deal with the entire decree, and not merely with that part of it which relates to the injunction. Such a case is entirely distinguishable, as the court points out, from a preliminary

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order granting an injunction, in which (first) the full merits are not before the court, and (second) the entire order appealed from is a grant of injunction in the discretion of the court to preserve matters *in statu quo* until the property rights can be determined upon full proofs. The court says (p. 26), —

> "Indeed, it seems to have been the practice from an early period, in the House of Lords, to direct a final disposition of causes before it with a full record, upon appeal from interlocutory orders and decrees based upon a hearing upon the merits below, whenever it was found that there was no equity in the complainant's case.

In *Marden* v. *Campbell Printing Press Co.*, 67 Fed. Rep. 809 (C.C.A. for First Circuit, 1895), upon an appeal from an interlocutory decree, the importance of the fact that the appeal brings up the whole record after a full hearing is clearly pointed out (p. 814):

> "Assuming this to be correct, and assuming that a decree for an injunction like that in the pending cause is within the purview of the seventh section referred to, it follows that the whole record touching the merits of the decree, so far as it supports the injunction, comes up before the court of appeals, or can come there, so that the court has before it everything in this respect which the circuit court had, or which the court of appeals would have on an appeal from a final decree. So it is apparently an absurd proposition that, under such circumstances, the court of appeals should shut its eyes and dispose of the question as perhaps it might dispose of an appeal from a mere *ad interim* injunction. Pass-

ing by this absurdity, there would follow another apparent absurdity in the proposition that, on such appeal, this court should pass on the merits and order the injunction dissolved, because on the merits it found the patent in question invalid or not infringed, and that yet the court below should proceed in the vain and fruitless pursuit of so much of the sequence of the litigation as comes from that part of the same decree which orders an accounting. Such would be the result if, on an appeal like this at bar, this court had no jurisdiction except over the injunction itself. At this point, the settled practice of the English chancery came to our assistance, as appears by the determination in *Richmond* v. *Atwood*, 2 C.C.A. 596; 52 Fed. 10, already referred to. It is apparent, however, from the closing sentences in *Richmond* v. *Atwood*, that the rule is one of equitable convenience, to be applied when the full record is brought before us on account of an appeal against an injunction granted by an interlocutory decree after a full hearing. There is no indication in *Richmond* v. *Atwood* of any disposition to go further than this, or to permit other parts of a decree to be brought up by cross appeals, or appeals of the complainant below, for the purpose of being heard as on an appeal from a final decree. Under the circumstances of *Richmond* v. *Atwood* the injunction covers the entire case, and thus an appeal from the injunction brings up the whole decree, and necessarily the whole record, so that the court is required, for the mere purpose of adjudicating touching the injunction, to examine on appeal the entire cause; and so no detriment to the court or the parties can come by its thereupon disposing of the merits, and entering orders to the circuit court

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analogous to those entered upon an appeal from a final decree. This, however, is a very different thing from reaching out for parts of the record, and of the decree below, not covered by the injunction order."

In *Bissell Carpet Co.* v. *Goshen Co.*, 72 Fed. Rep. 545 (C.C.A. for Sixth Circuit, 1896), the court pointed out (p. 551), that in the case at bar "the injunction decree appealed from was not a mere preliminary injunction granted in the exercise of the discretion of the Circuit Court. The case had been fully prepared by both parties. It came on regularly to be heard on the merits, and was so heard. The court was obliged to decide and did decide first that the complainant's patent was valid;" second, that it was infringed; and then added:

"when this case came on to be heard here, this court was obliged to examine the entire record and determine the merits of the cause just as the Circuit Court had done."

The court points out (p. 555) that in such a case "the appeal necessarily brings up the full record;" and in referring to the old English practice, the court says (p. 556), —

"It was the unquestioned practice of the House of Lords to make and direct a final disposition of the cause when it had before it a full record and the appeal was from an interlocutory decree granted upon a hearing upon the merits. . . . If it was so possessed of the whole record as to enable it to see and adjudge that the complainant had no equity in his suit, the court would not only direct a reversal of the decree appealed from, but terminate the litigation by a direction that the bill should be dismissed."

The court discriminated between an appeal from an interlocutory decree and an appeal from a preliminary injunction order, using the following language in respect to the latter (p. 549:) —

> "Where a preliminary injunction is allowed upon a *prima facie* showing, and without the determination of the merits, this court will ordinarily, on an appeal, consider only the question as to whether, on the *prima facie* case made, there has been an abuse of discretion. Such preliminary injunctions are ordinarily intended only to operate *pendente lite*, or until a hearing on the merits can be had. They are granted upon a mere summary showing upon affidavits. Their issuance is not a matter of right, and rests in the sound discretion of the judge."

The above case was cited and approved by the Supreme Court, 165 U.S. 523.

IV.

It has been decided in some cases that, upon a motion for preliminary injunction, if there is nothing to be decided but a question of law, the court will decide that question, and so finally dispose of the suit.

In *Mayor of Knoxville* v. *Africa*, 77 Fed. Rep. 501 (C. C.A. for Sixth Circuit, 1896), defendant appealed from the order for preliminary injunction, and the Court of Appeals directed the bill to be dismissed. The injunction had been granted to a complainant who sought to enjoin the city from removing tracks from certain parts, in which complainant claimed to have a franchise under a certain ordinance. The Court of Appeals held that the appeal presented questions of

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importance which "arise upon the face of the ordinance of 1876."

The court decided the case (p. 506) —

> "upon the ground that the ordinance of 1876 was not a valid or effectual consent"

to the occupation of any other than certain specified streets.

The court limited this decision to cases of appeals —

> "where the legal questions are presented by the record in such a manner as that justice can be done the litigants and fruitless delay and a second appeal avoided."

In this very case, however, the court mistook the facts of the case, and on rehearing said, —

> "The former direction to dismiss complainant's bill must be retracted" (p. 512).

The court explained its former decision by saying (p. 511), —

> "So far as the propriety of that injunction depended upon the validity of the ordinance of January 11, 1876, we were in possession of a complete record and could do full and final justice by determining the matters of law upon which the street rights claimed under that grant depended."

But it appeared that one of the streets in controversy was claimed under the valid part of the ordinance, and therefore certain questions of fact arose; and the court said, —

> "Whether or not that grant has been lost depends upon a great variety of facts which can only fully ap-

pear after proof has been taken. . . . The record is not in such a condition as to justify a final disposal of the questions of fact upon which the ultimate rights of the parties must depend. . . . All such questions are reserved until final hearing."

In *Thomson-Houston Electric Co.* v. *Brass Co.*, 80 Fed. Rep. 712 (C.C.A. for Sixth Circuit, 1897), it was said, on appeal from a preliminary injunction (p. 730), —

> "It is well settled that on appeals like this this court will ordinarily look into the case merely to see whether the discretion of the court below in issuing or withholding the order of preliminary injunction has been abused; and that only in exceptional cases in which a controlling question of law may be as fully and fairly considered as upon final hearing, and the court has no doubt upon it, will it finally dispose of the injunction and the case on a hearing like this."

So in *Green* v. *Mills*, 69 Fed. Rep. 852 (C.C.A. for Fourth Circuit, 1895), the bill attacked the franchise law of South Carolina as unconstitutional, and asked for an injunction against the supervisor of registration, which was granted. The case was argued upon the bill and return, and not upon affidavits, and the Court of Appeals held (p. 859) that the case was not one of equitable cognizance at all, because it sought "to restrain the exercise of governmental powers," and therefore directed (p. 860) the bill to be dismissed, "as we entertain no doubt that such a bill cannot be maintained."

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V.

However clear the facts may seem to be, nevertheless, if there is a question of fact involved, the court will not dismiss the bill, or finally dispose of the suit, upon an appeal from a preliminary injunction.

In *Curtis* v. *Overman Wheel Co.*, 58 Fed. Rep. 784, there was an appeal from a preliminary injunction in a patent suit. On looking into the prior art, as set forth in defendant's affidavits, the court was of the opinion that the improvement of complainant's patent "did not arise to the dignity of invention;" and the court stated that "the vital question" was presented so clearly that it felt at liberty to re-examine a previous adjudication in another circuit sustaining the patent; yet the court did not order the bill dismissed even in this case. The opinion concludes:

> "The order of the Circuit Court is reversed with costs."

See also *Andrews* v. *Type Works*, 61 Fed. Rep. 782 (1894), where it is laid down (p. 790) that all that can be conclusively determined on an appeal from a preliminary injunction is that the order for the injunction was a proper or improper one when made. Mr. Justice HARLAN sat in this case.

See also —

Mayor of Knoxville v. *Africa*, *supra*.

VI.

The only decisions in the federal courts contra to the above rule that a bill will not be dismissed upon appeal from a preliminary injunction where there is any question of fact

involved, but that complainant will be allowed to proceed to final hearing and introduce what proof he can in support of the allegations of his bill, are to be found in the Seventh Circuit.

In *Stover Mfg. Co.* v. *Mast, Foos & Co.*, 89 Fed. Rep. 333 (C.C.A. for Seventh Circuit, 1898), defendant appealed from an order for a preliminary injunction. The Court of Appeals not only reversed the order, but directed that the bill should be dismissed (p. 340), because "it is not perceived that further proofs are possible of a character to change the result."

In the first place, the court relies on *Smith* v. *Vulcan Iron Works*, 165 U.S. 518, which dealt with an appeal from an interlocutory decree, final in all respects save a specified award of damages. What the Supreme Court said in this case of *Smith* v. *Iron Works* with reference to the disposal of a suit where the testimony had been completed, and where there was a complete record before the court, cannot be invoked in a case where the court is dealing with an appeal from an order for a preliminary injunction. Nothing that was said in *Smith* v. *Iron Works* would justify this application of the language there used.

In the second place, the Court of Appeals, in *Stover* v. *Mast*, referring to the difference between appeals from interlocutory decrees and appeals from preliminary injunctions, continued (p. 337), —

> "If there is ground for a distinction in that respect, it is in favor of the appeal from a preliminary order made upon *ex parte* and imperfect showings at the commencement of litigation rather than an appeal from an injunction perpetual in terms, granted after a full hearing, which is called interlocutory only because there re-

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mains to be taken an accounting upon which the evidence adduced cannot ordinarily affect the injunction."

This reasoning should have led the court to proper conclusion that in the suit before it it could only go to the extent of reversing the order for a preliminary injunction; but the court, as indicated above, comes, curiously enough, to the erroneous opinion that it could dismiss the bill.

In the later case of *Antisdel* v. *Cabinet Co.*, 89 Fed. Rep. 308 (1898), decided by the Court of Appeals for the same circuit, an order for preliminary injunction was reversed on appeal, with directions to dismiss the bill. Upon petition for rehearing, however (90 Fed. Rep. 828), it was ordered that in lieu of the words "dismiss the bill," there be inserted in both the opinion and the decree the words "proceed in accordance with the opinion of this Court."

This last case would indicate that the Court of Appeals for the Seventh Circuit had swung into line in support of the general rule stated above. It appears, however, from the decision in the late case of *Magic Light Co.* v. *Gas Lamp Co.*, 97 Fed. Rep. 87 (C.C.A. for Seventh Circuit, 1899), that this court has followed its decision in the Stover case, *supra*. In *Magic Light Co.* v. *Lamp Co.* the court reversed, on appeal, a preliminary injunction granted below, and directed the Circuit Court to dismiss the bill on the ground that the views expressed in the opinion seem "to exclude the possibility of evidence to sustain the charge of infringement." Among the statements in the opinion, we find the following (p. 90): —

> "There is in the record no evidence of mechanical equivalency between the two [constructions]."

"It is yet unproved that both forms of construction operate in the same or similar way."

Certainly these statements refer to issues of fact which complainant should properly have had an opportunity to establish by further proof introduced on his own behalf and by cross-examination of the defendant's witnesses.

Henry E. Everding
Arthur v. Briesen
Fred'k P. Fish.

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